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February 23, 2009

re: House Bill 5521, Credit Reports and Employment Screening

The bill would prohibit an employer from obtaining a consumer credit report for employment purposes unless the information is substantially job related. This restriction could jeopardize the health and safety of many Connecticut residents who have come to rely on safe and secure environments and risks the financial status of businesses across the state.

By way of background, TransUnion is a global leader in credit and information management. We are one of three global consumer credit reporting companies (CRAs), and employ 2,100 associates worldwide. The security and accuracy of our information are our highest priorities in everything we do: mortgage reporting, fraud prevention, risk management, employment reporting, tenant screening and collection services.

Sadly, we live in an age where businesses of all shapes and sizes must verify the backgrounds of job applicants because:

- Retail losses due to employee theft are estimated at over \$30 billion annually.
- Between 1993 and 1999, U.S. residents suffered an annual average of 1.7 million violent workplace victimizations.
- \$55 million in lost wages and exponentially more in additional costs stem from the more than 2 million instances of workplace violence per year.
- More than 30% of all job applicants provide false information on their resumes.

If enacted, HB 5521 could prevent background checks on a variety of workers that require access to homes, hotel rooms, and businesses where personal safety and property are so clearly at risk, including phone and cable television workers, hotel staff, office technology personnel and more. The bill could also prohibit checks on babysitters, au pairs, and food delivery personnel.

We recognize that personal privacy and accuracy of records is very important and support laws to protect consumers. In fact, the federal Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681b, has clear protections/standards for the use of consumer or credit reports used for employment purposes in certain instances. In general, an employer can only obtain a consumer/credit report if the applicant consents in writing.

Screening the backgrounds of employees is critical to protect the safety of Connecticut residents in their homes and offices, in their cars, and in all other places they travel. HB 5521 puts people at risk with little other protection for those the bill might theoretically protect.